



STEVE POIZNER
Insurance Commissioner

April 23, 2007

Dear Chief Executive Officer:

Recently enacted California legislation requires your company to provide a report of its California Community Development Investments by May 31, 2007. We want to make this as easy as possible and welcome suggestions on how to make it more efficient in the future.

As you are aware, the California Organized Investment Network (COIN) Program was created in 1996 as a collaborative private and public sector partnership of insurance industry leaders, State Government leaders, and community development organizations to increase the level of insurer investment in traditionally underserved communities in California. The Department of Insurance agreed to facilitate this program at the request of the industry and other interested parties. Many insurers have already participated: over \$8 billion of California Community Development Investments have been reported to date.

While this is a positive start, much more can be done.

Community development investing is good business. These investments can provide solid returns while bringing much needed capital to low-income communities. They offer tremendous opportunities for less prosperous families while creating positive business relationships with the fastest growing demographic markets in the nation. I strongly encourage you to engage in higher levels of investment in community development projects which I believe should be viewed as an integral component of a successful business strategy.

As noted above, California Insurance Code Sections 926.1 and 926.2 require all companies admitted in our State to provide information on their California Community Investments to the Department of Insurance by May 31, 2007. Links to instructions and reporting forms for 2005 and 2006 investments have been provided by email to your NAIC Annual Statement contact. This information will help quantify and evaluate community investment by the insurance industry and report the industry's good work to the people of California.

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Additionally, I seek your advice on how to increase participation in this worthwhile endeavor. To this end, I ask that you complete the enclosed questionnaire. It is designed to help determine corporate philosophy with regard to community investing.

Finally, I encourage you to take advantage of two new searchable databases available on the COIN Web site at <http://www.insurance.ca.gov/0250-insurers/0700-coin/>. Developed at the suggestion of industry and community representatives, the first provides examples of investment opportunities, and the second allows you to see all California Community Development Investments already made by insurers and reported to COIN.

If you have any questions or would like more information about community development investing or the reports due from your company, please feel free to contact COIN Director Delores McKinnon or her staff at (916) 492-3525.

Thank you in advance for your assistance in this matter. I look forward to working with you over the next four years.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Poizner". The signature is fluid and cursive, with the first name "Steve" and last name "Poizner" clearly distinguishable.

STEVE POIZNER
Insurance Commissioner

Attachment

COMMISSIONER'S INSURER CEO COMMUNITY INVESTMENT QUESTIONNAIRE

For an electronic copy of this form, or information about the California Organized Investment Network (COIN) Program, please visit our Web site at <http://www.insurance.ca.gov/0250-insurers/0700-coin> or contact COIN at (916) 492-3525. Please return this questionnaire to coin@insurance.ca.gov or fax to (916) 323-1944 or mail to:

Insurance Commissioner Steve Poizner
300 Capitol Mall, 17th Floor
Sacramento, CA 95814

Company Name:	NAIC No.	Telephone:
Contact Name and Title:	Email Address:	

1. To date, has your company made and reported any voluntary community development investments in California? (This can be quickly checked on the COIN searchable database cited in my letter.)
Yes _____ No _____
2. If not, what prevents your company from making community development investments, and what would it take to get you to invest? (I would appreciate your candid response.)
3. Does your company have a corporate policy to make community development investments?
Yes _____ No _____ If yes, please describe it or attach a copy.
4. If you have made such investments in California, what keeps you from investing more?
5. Is there anything I can do as Insurance Commissioner, or we could do in California, that would result in your increasing your California community investments?

Thank you for taking the time to respond.